

Dear Mr. / Ms. President,

We are urgently turning to you as Presidents of the Agricultural Association of the Czech Republic, Agrarian Chamber of the Czech Republic and Slovak Chamber of Agriculture and Food in circumstances of the upcoming dialogues of the Commission, Parliament and Council on the reform of the Common Agriculture Policy.

The first so-called "super" dialogue is scheduled for the 10th of November 2020.

As you are aware, both the AGRIFISH Council and the European Parliament adopted their positions last week, 21/10/2020 and 23/10/2020.

We have compared the positions (limited number of topics only) of all three EU institutions, please find the comparison attached.

We have identified some dangerous aspects for agriculture holdings, mainly for bigger ones, but in some cases irrespective of their size. In short:

- **Article 4, definition of active / genuine farmer:** there will be a discussion if the definition shall be voluntary or mandatory. We do support the position of the Council. In case that mandatory definition will be supported, we agree with the definition of the Parliament, but only if one of the sentences will be removed – *„Member States may decide to add to this list other similar non-agricultural businesses or activities, or to withdraw such additions and may exclude from this definition individuals or companies carrying out large scale processing of agricultural products, with the exception of groups of farmers, involved in such processing.”* If this sentence is not removed, there is a risk that these companies will not receive any CAP subsidies.
- **Article 15, capping of direct payments:** even though the European Council decided (July 2020) that capping of direct payments should be voluntary, for BISS only, with the possibility to subtract all salaries, there will be a discussion on this topic during the dialogues as well. We do support the position of the European Council. But we would like to warn you against the proposals for mandatory affiliation monitoring. In the position of AGRIFISH Council we can find a new sentence added, stating that *“In the case of farmers being part of a group of affiliated legal entities, as determined by Member States, Member States may apply the reduction referred to in paragraph 1 or 1a at the level of this group under conditions to be determined by Member States.”* In the position of the Parliament even stricter paragraph has been added and approved, stating that *“The Commission shall collect information on all subsidies received from [CAP first and second pillar] and aggregate the total amount that a natural person receives either directly through direct payments or indirectly as beneficial owner of legal persons that are beneficiaries of CAP payments (direct payments and payments from rural development). The Commission shall keep track in real time and stop payments exceeding an aggregated total of (a) EUR 500 000 in*

the first pillar for direct payments; and (b) EUR 1 000 000 for investments under the second pillar”.

These proposals would lead to a significant administrative burden, especially for paying agencies, but for the Member States and farmers as well. It will limit the possibility for farmers to plan their cash-flow, their investments. It will go sharply against the competitiveness of the European agriculture sector. In some Member States, it will lead to the reduction of employment in rural areas. It will threaten the ability of our sector to fulfil environmental, climate, and welfare goals due to the limitation of investments. This goes against the plan of the Commission to support the transition towards the more sustainable sector, in line with the Green Deal. New investors will not be motivated to use their money in agriculture. We believe these steps are against the rules of the GDPR, whilst at the same time, they can threaten the role of agricultural cooperatives as well.

In Addition, I would like to draw your attention to the fact that only Council proposes in Art. 86 ringfencing 13+2 for so called coupled support in the I. pillar of CAP, meanwhile other two players in supertrialogue go for ringfencing 10+2. Having said so, support of sensitive sectors across Europe would drop significantly compared to previous period.

Therefore, I would like to kindly ask you to help us to stop these proposals. We need to act jointly now, to be able to protect our competitiveness and our farmers.

Would you be willing to discuss these issues and possible next steps via call or video call? Should you be kindly willing to discuss the matter next week, before the first trialogue, please advise on your time availabilities.

Sincerely Yours,



Ing. Martin Pýcha
president ZS ČR



Ing. Jan Doležal
president AK ČR



Bc. Emil Macho
president SPPK